

WHY THE NEW DRUG BENEFIT WILL WORK ON DAY ONE FOR AI/AN DUAL ELIGIBLE INDIVIDUALS

Starting on January 1, 2006, full-benefit dual eligible and other low-income individuals will be provided drug coverage at little or no cost through the new Medicare drug benefit. By IHS estimates, approximately 30% of American Indian and Alaska Native Medicare eligibles accessing services through their facilities will automatically qualify for subsidies of premiums and cost-sharing amounts under the Medicare prescription drug benefit.

- Unlike Medicaid, which differs from state to state and is subject to budget pressures within states, the new Medicare prescription drug benefit is national, uniform, comprehensive, and provides beneficiaries the same protections they have come to expect from Medicare.

CMS provides a seamless transition into the Medicare prescription drug benefit for full-benefit dual eligible individuals and also preserves protections and flexibility for this group.

CMS is working to assure that drug plans provide access to medically necessary treatments for all beneficiaries and do not discriminate against any particular types of beneficiaries. CMS intends to encourage and approve formularies that provide the types of drug lists and benefit management approaches that are already in widespread use.

Part D sponsors are required to provide for an appropriate transition process for new enrollees that are prescribed Part D drugs not on their Part D plan's formulary. This transition policy must meet the requirements consistent with written policy guidelines and other CMS instructions. Should a full-benefit dual eligible individual need to change PD plans to better accommodate his/her pharmaceutical needs and pharmacy affiliations, s/he may do so at any time because of a Special Enrollment Period afforded to them. The Special Enrollment Period allows full benefit dual eligibles to switch from one MA-PD plan to another, from one PD plan to another, or from original Medicare and a PD plan into an MA-PD and vice versa.

CMS and the States will provide educational and outreach materials to inform dual eligible beneficiaries of their options under Part D and to assist them in their decision-making processes.

Finally, CMS is committed to working with the Tribal Technical Advisory Group and the Indian Health Service in providing educational and outreach materials to the Indian Health Care Provider network to inform AI/AN dual eligibles of their options under the Prescription Drug benefit.